

August 4, 2005

Honorable Ted Stevens, Chairman
Commerce Committee
United States Senate
508 Dirksen
Washington, DC 20510

Dear Chairman Stevens :

As representatives of the telecom manufacturing industry, we want you to know that we strongly support S. 1504, the Broadband Investment and Consumer Choice Act, introduced last week by Senators Ensign and McCain. We support S. 1504 because we believe it will help stimulate a broad resurgence in spending on a wide array of high tech products. Increased spending on high tech products will help our industry and its employees and indeed the U.S. economy as a whole. Declining demand for telecom products was responsible for nearly four percentage points of the 2001 economy-wide decline in capital spending, and while demand has begun to pick up in recent months, our industry has by no means recovered from its 2001 collapse. However, numerous studies have projected that legislation such as S. 1504 will help produce a resurgence in spending for telecom products. One study, for example, has projected that increased spending produced by such legislation will add \$500 billion to the U.S. economy and create one million new jobs within 20 years. Another has projected that such legislation will produce \$58 billion in new telecom capital investment and create 333,000 new jobs within five years.

The reason S. 1504 will spark new spending on high tech products is that it removes numerous regulatory barriers that constrain spending while serving no valid purpose. Here are a few examples of harmful regulatory mandates that the bill eliminates:

- It eliminates the requirement for local telephone companies to obtain franchise approval from local governments in order to provide multi-channel video service in competition with the cable TV industry. Requiring these franchises constrains spending by dramatically slowing the deployment of the fiber optic technology that is necessary for telcos to provide video services given that the franchising requirement would cost tens of millions of dollars nationwide and given that it typically takes many months to obtain a franchise in a given community.
- It prohibits the FCC and state public utility commissions from regulating the terms under which any service other than basic local phone service is provided. Regulating services constrains spending on telecom products by imposing economic costs on service providers and slowing the deployment of new technologies.
- It repeals nearly all requirements that incumbent phone companies let competitors use the incumbents' networks at below cost prices to provide competing services. The one mandate that would remain is a requirement that incumbents let competitors use

the incumbents' copper loops, but that regulation would sunset in five years. Repealing these requirements will stimulate spending on telecom infrastructure by encouraging telecom carriers to compete by deploying new infrastructure rather than by using the incumbents' existing infrastructure.

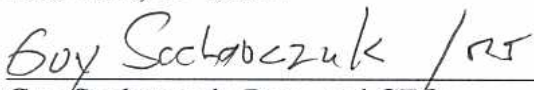
- It invalidates many unnecessary requirements imposed on cable operators in locally awarded cable franchises. Eliminating these mandates will free a vast amount of resources for infrastructure modernization that the cable industry presently must use to comply with local franchise requirements.

S. 1504 is important legislation; it recognizes that existing regulations constrain spending on telecom infrastructure and other high tech products and that new technologies and burgeoning competition eliminate the need for many of these regulatory requirements. We hope you will support this legislation and a markup early this fall of a bill that includes the text of S. 1504.

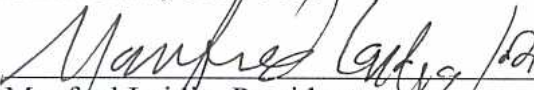
Sincerely,



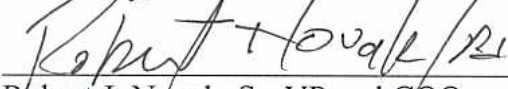
Brad E. Herr, President
AC Data Systems, Inc.
806 West Clearwater Loop, Ste C
Post Falls, ID 83854



Guy Sucharczuk, Pres. and CEO
Aurora Networks, Inc.
2803 Mission College Blvd.
Santa Clara, CA 95054



Manfred Laidig, President
BTECH Inc.
10 Astro Place
Rockaway, NJ 07866



Robert J. Novak, Sr. VP and COO
Charles Industries, Ltd.
5600 Apollo Drive
Rolling Meadows, IL 60008



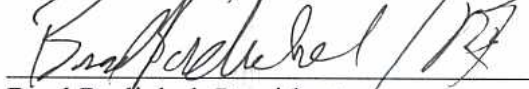
Brian Paul, Chief Financial Officer
Actiontec Electronics, Inc.
760 North Mary Avenue
Sunnyvale, CA 94085



Giorgio Anania, CEO
Bookham, Inc.
2584 Junction Avenue
San Jose, CA 95134



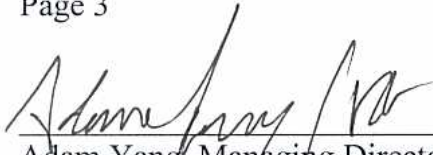
Michael C. Stephens, President and CEO
CBM of America, Inc.
1455 W. Newport Center Drive
Deerfield Beach, FL 33442

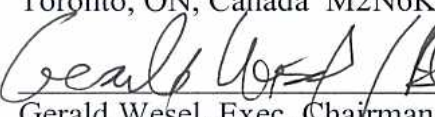


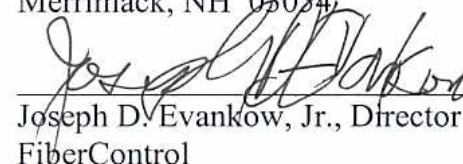
Brad Radichel, President
Condux International, Inc.
145 Kingswood Road
Mankato, MN 56002-0247

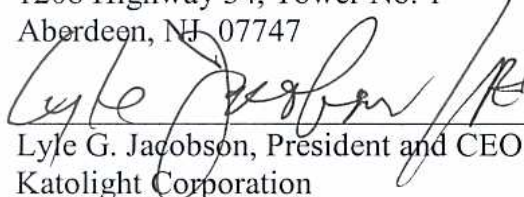
August 4, 2005


Page 3

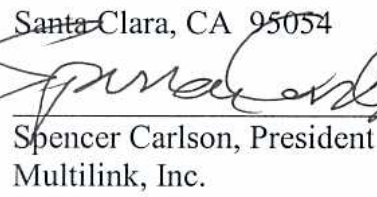

Adam Yang, Managing Director
CosLight Battery Inc.
4950 Yonge Street, Ste 2200
Toronto, ON, Canada M2N6K1

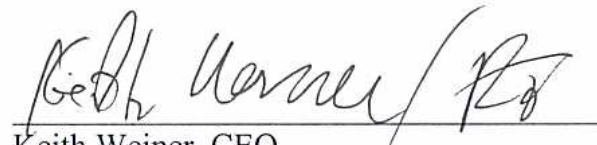

Gerald Wesel, Exec. Chairman
Ellacoya Networks, Inc.
7 Henry Clay Drive
Merrimack, NH 03054

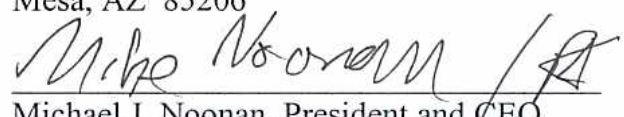

Joseph D. Evankow, Jr., Director
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Aberdeen, NJ 07747


Lyle G. Jacobson, President and CEO
Katolight Corporation
100 Power Drive
Mankato, MN 56001

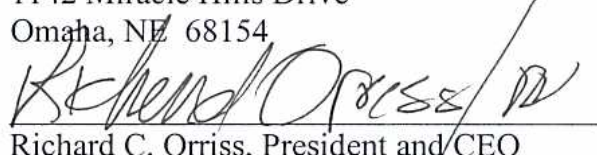

Mauro Bonomi, CEO
Minerva Networks, Inc.
2111 Tasman Drive
Santa Clara, CA 95054


Spencer Carlson, President
Multilink, Inc.
580 Ternes Avenue
Elyria, OH 44035

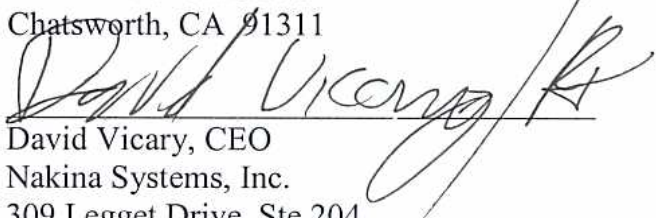

Keith Weiner, CEO
DiamondWare, Ltd.
4856 E. Baseline Road, Ste 101
Mesa, AZ 85206


Michael J. Noonan, President and CEO
Fiber Optic Network Solutions Corp.
140 Locke Drive
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Daryl Ingalsbe, President
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Richard C. Orriss, President and CEO
Leapstone Systems, Inc.
220 Davidson Avenue
Somerset, NJ 08873


Noam Lotan, CEO
MRV Communications, Inc.
20415 Nordhoff Street
Chatsworth, CA 91311

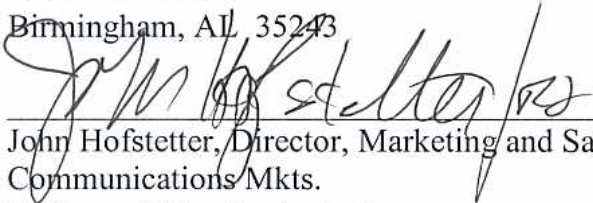

David Vicary, CEO
Nakina Systems, Inc.
309 Legget Drive, Ste 204
Kanata, ON K2K 3A3

August 4, 2005

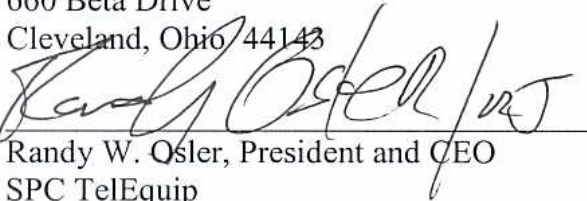
Page 4

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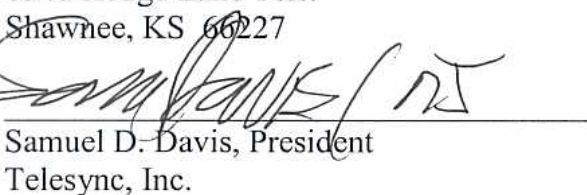
William G. Johnson, President and CEO
NorthStar Communications Group, Inc.
1900 International Park Drive
Birmingham, AL 35243

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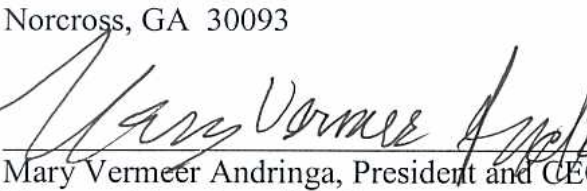
John Hofstetter, Director, Marketing and Sales,
Communications Mkts.
Preformed Line Products, Inc.
660 Beta Drive
Cleveland, Ohio 44143

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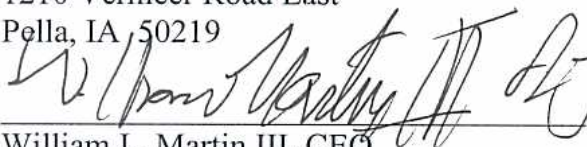
Randy W. Osler, President and CEO
SPC TelEquip
8540 Hedge Lane Terr.
Shawnee, KS 66227

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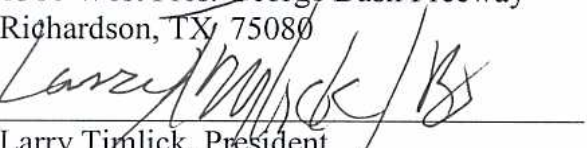
Samuel D. Davis, President
Telesync, Inc.
5555 Oakbrook Pkwy, Ste 100
Norcross, GA 30093

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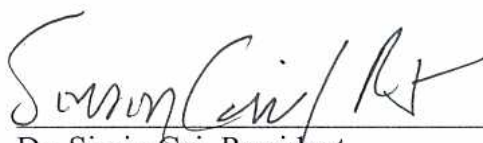
Mary Vermeer Andringa, President and CEO
Vermeer Manufacturing Company
1210 Vermeer Road East
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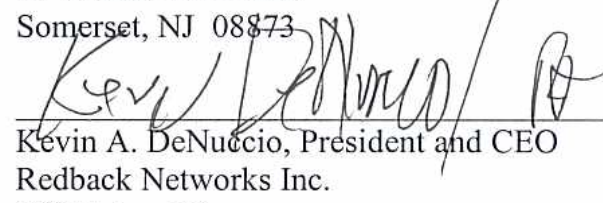
William L. Martin III, CEO
White Rock Networks, Inc.
1301 West Pres. George Bush Freeway
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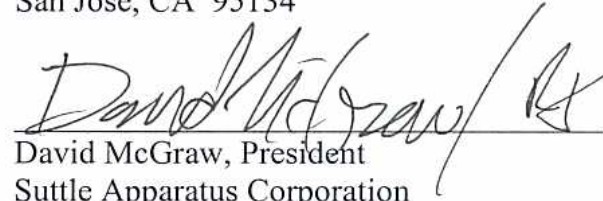
Larry Timlick, President
Xten Networks, Inc.
5201 Great America Parkway, Ste 320
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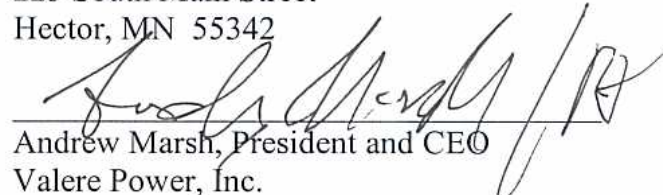
Dr. Simin Cai, President
NSG America, Inc.
28 Worlds Fair Drive
Somerset, NJ 08873

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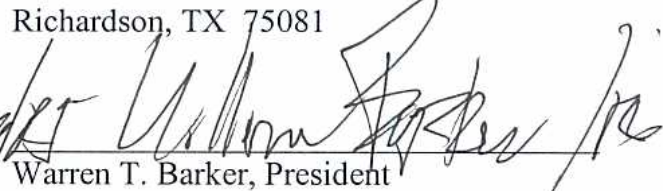
Kevin A. DeNuccio, President and CEO
Redback Networks Inc.
300 Holger Way
San Jose, CA 95134

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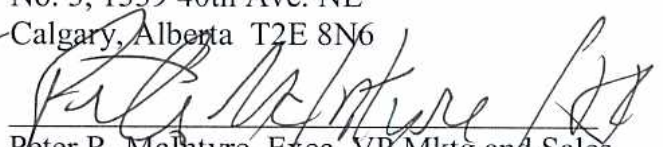
David McGraw, President
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/RJ

Andrew Marsh, President and CEO
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Warren T. Barker, President
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